

Valley National First Quarter Net Income Increases To \$11 Million

Mar 1991

Valley Bank's parent, Valley National Corporation, reported net income of \$11.0 million, 55 cents per share, for the first quarter 1991.

This compares to net income in the previous quarter of \$2.0 million, 10 cents per share, and a net income of \$607,000, 3 cents per share, for the first quarter 1990.

A gain of \$5.8 million, 29 cents per share (net of tax), from the sale of securities is included in the first quarter 1991 net income.

"The positive trend began with our parent in 1990, and it's good to see it continue strong into 1991," said Shauna Van Wagoner, Valley Bank's branch manager, in Heber.

During the first quarter, the corporation began a program to reposition the securities portfolio by disposing of tax-exempt securities. This program has continued into the second quarter and will result in additional gain approximately the amount recognized in the first quarter.

"We are encouraged that the first quarter financial performance continues the positive trend begun in 1990," said Richard J. Lehmann, chairman of the board. "Earnings as well as credit quality have been headed in the right direction, showing improvement during the past year."

Total nonperforming assets declined \$1.4 million for the quarter. At March 31, 1991, nonperforming assets were \$481.0 million compared to \$482.4 million at the end of the previous quarter and \$535.8 million at March 31, 1990.

Nonaccrual loans declined \$16 million for the quarter. At March 31, 1991, nonaccrual loans were \$286.9 million which compared to \$303.0 million at the end of the previous quarter and \$366.1 million at March 31, 1990.

The corporation's other real estate owned (OREO) was \$193.9 million at March 31, 1991, compared to \$179.2 million at the end of the previous quarter and \$169.4 million at March 31, 1990.

"The corporation continues to work diligently on managing the level of nonperforming assets. During the past twelve months, total nonperforming assets declined approximately \$55 million, with nonaccrual loans declining almost \$80 million," said Lehmann.

The first quarter provision for credit losses was \$19.2 million compared to \$15.5 million in the previous quarter and \$24.4 million in first quarter 1990. Net charge-offs for the first quarter 1991 were \$30.0 million. The allowance for credit losses at quarter-end was \$204.9 million or 3.22 percent of total loans outstanding and 71.4 percent of nonaccrual loans.

The first quarter OREO loss provision and expense was \$9.3 million compared to \$20.9 million for the previous quarter and \$11.8 million for the first quarter 1990.

As previously announced, the corporation purchased the remaining 51 percent of the common stock of Western Security Life Insurance Co. (Phoenix) from Lincoln National Corp., (Fort Wayne, Ind). This acquisition, which did not materially affect first quarter earnings, resulted in a \$6 million increase to the corporation's equity.

At March 31, 1991, total assets of the corporation were \$10.3 billion and total deposits were \$9.3 billion. The corporation's shareholders' equity was \$469.5 million or 4.54 percent of total assets, and the risk-based capital ratio of 7.70 percent exceeded the current regulatory requirement of 7.25 percent.

Valley National Corp. and Subsidiaries First Quarter Ended March 31

	1991	1990
Net Income:		
Total	\$ 10,972,000	\$ 607,000
Per Share	55 cents	3 cents
Average Common Shares Outstanding	19,840,843	19,763,076
As of March 31		
	1991	1990
Assets	\$10,337,054,000	\$10,251,745,000
Deposits	9,308,971,000	9,225,887,000
Loans	6,356,933,000	6,908,947,000
Shareholder's Equity	469,462,000	446,436,000

Utahns Benefit From Valley Bank's Home Equity Loan Program



Shauna Van Wagoner

More than 1,700 Utahns took advantage of Valley Bank's 100 percent home equity loan program during its 14-week campaign.

"This response reflects the

current financial confidence of Utahns today who are planning for the future," said Shauna Van Wagoner, Heber office branch manager. "It has been such a positive campaign in Utah that we doubled our goal."

Because of the favorable response, Valley Bank will continue offering the 100 percent home equity loan even though the campaign has officially ended.

Home equity loans have become increasingly popular in Utah because they are virtually the only way left to borrow money with the possibility of a tax deduction on the interest. Unfortunately, only those having owned a home for several years have a substantial amount of equity to qualify for such loans.

Consequently, new homeowners, who often need loans, have been denied home equity loans by local lending institutions.

"Valley Bank responded to the needs of new homeowners by offering something no other bank has in Utah — a 100 percent home equity loan," she said. "We realized

new homeowners who have needed money have not been able to borrow on the minimal equity they have in their home. This type of loan has opened all kinds of doors for those consumers."

Valley Bank will also continue its a free hotline, 1-800-734-BANK or 481-5555 in Salt Lake, to answer consumer questions about home equity loans in general. The hotline, which has been open Monday through Friday 8 a.m. through 6 p.m., has as many as 50 callers a day wanting to discuss loan options.

"We listen and help identify each customer's needs separately," said Van Wagoner. "The 100 percent

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home equity loan isn't right for everyone. That's why we have experienced bankers answering their calls on the hotline and talking through options with each person."

Valley Bank's 100 percent equity loan gives the consumer a revolving credit line or loan from \$5,000 to \$25,000, which can be used for any purpose. Today's borrowers primarily use home equity loans for home improvements, to consolidate debt into one loan, or for emergency cash.

Established in 1948, Valley Bank operates 35 branches throughout northern and central Utah.